



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

Government Purchase Cards

Contracts Directorate
CPR: DCMA-AQ

DCMA-INST 117
March 29, 2013

Validated current, March 10, 2014

1. PURPOSE. This Instruction:

- a. Reissues DCMA Instruction (DCMA-INST), "Government Purchase Cards" (Reference (a)).
- b. Supplements the Federal Acquisition Regulation (FAR) Parts 8 and 13.301 (Reference (b)) and Defense Federal Acquisition Regulation Supplement (DFARS) Parts 208 and 213 (Reference (c)) procedures for use of a Government-wide commercial purchase card.
- c. Is established in compliance with DoD Directive 5105.64 (Reference (d)).

2. APPLICABILITY. This Instruction provides standard procedures to be followed at field activity and operational levels respectively.

3. MANAGERS' INTERNAL CONTROL PROGRAM. In accordance with the DCMA-INST 710, "Managers' Internal Control Program" (Reference (e)), this Instruction is subject to evaluation and testing. The process flowchart is located at Appendix A.

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.

5. PLAS CODE. E211, Procure Supplies and Services.

6. POLICY RESOURCE WEB PAGE. <https://home.dcma.mil/policy/117r>

7. EFFECTIVE DATE. By order of the Director, DCMA, this Instruction is effective immediately.

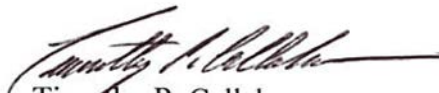

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REFERENCES

- (a) DCMA Instruction, "Government Purchase Cards," July 31, 2011 (hereby canceled)
- (b) FAR Parts 8 and 13.301
- (c) DFARS Parts 208 and 213
- (d) DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
- (e) DCMA-INST 710, "Managers' Internal Control Program," September 12, 2011
- (f) Department of Defense Financial Management Handbook (DoDFMR) Volume 5, Chapter 33 and Volume 10, Chapter 23
- (g) DCMA "Government Purchase Card (GPC) User's Guide," October 2, 2012
- (h) Sections 1301, 1341, and 1517 of title 31, United States Code, Anti-Deficiency Act
- (i) Office of the Under Secretary of Defense (USD) Memorandum on "Government Charge Card Disciplinary Guide for Civilian Employees" dated April 21, 2003

CHAPTER 1

POLICY

1.1. POLICY. It is DCMA policy that:

1.1.1. The payment for supplies and services is completed effectively and efficiently via the Government wide commercial purchase card.

1.1.2 Except as provided in FAR 32.1108(b)(2) (Reference (b)), the Government-wide purchase card is authorized for use in making and/or paying for purchases of supplies, services, or construction in accordance with the references listed in this instruction.

CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. GOVERNMENT PURCHASE CARD (GPC) BILLING OFFICIAL. The GPC billing official shall:

2.1.1. Demonstrate high integrity and ethical behavior.

2.1.2. Complete training requirements.

2.1.3. Complete the DCMA Cardholder/Billing Official Setup form (located on the resource page) and DD Form 577, Appointment/Termination Record-Authorized Signature. Then they must submit the forms to the GPC Inbox.

2.1.4. Review, approve, and certify statements at Access Online (Reference (f)).

2.1.5. Submit prospective cardholder's training certificates and setup forms to the GPC Inbox.

2.1.6. Initiate new account requests for prospective cardholders in the DoD Purchase Card Online System (PCOLS) Authorization, Issuance and Maintenance (AIM) application.

2.1.7. Review, approve, certify, and initiate manual payment for the use of the GPC to make contract payments.

2.2. BILLING OFFICIAL SUPERVISOR. The billing official supervisor provisions (creates a role and populates the role with a person) the new billing official to the Billing Official Pool in the DoD PCOLS Enterprise Monitoring and Management of Accounts (EMMA) application.

2.3. AGENCY/ORGANIZATION PROGRAM COORDINATOR (A/OPC). The A/OPC shall:

2.3.1. Issue appointment letters for GPC billing officials and cardholders.

2.3.2. Establish new billing officials on existing billing accounts or setup a new billing account at US Bank.

2.3.3. Inspect and rate program members in accordance with the GPC User's Guide (Reference (g)) (only Level III and IV A/OPC will do the inspection and rating).

2.3.4. Notify the command chain (commander and supervisor) promptly when a misuse of the GPC has been discovered.

2.3.5. Review recommendations of corrective actions for GPC misuse from the command chain and concur/nonconcur within 5 business days.

2.4. GPC CARDHOLDERS. GPC cardholders shall:

2.4.1. Demonstrate high integrity and ethical behavior.

2.4.2. Complete training requirements.

2.4.3. Complete DCMA Cardholder/Billing Official setup form.

2.4.4. Use the GPC to purchase supplies and services using the procedures outlined in this instruction.

2.5. CONTRACTING OFFICER. The contracting officer shall:

2.5.1. Specify the use of a GPC as the method of payment on a contract as long as clause FAR 52.232-36, Payment by Third Party (Reference (b)) is included in the contract.

2.5.2. Retain copies of the invoice, and a statement that reflects payment in the contract file.

2.6. PAYMENT CARDHOLDER. The payment cardholder shall:

2.6.1. Receive a copy of the contract (and any modifications), an invoice from the vendor, and a receiving acknowledgement from the customer before authorizing payment.

2.6.2. Retain a copy of the contract, the invoice, and the receiving documents in the GPC purchase file.

2.6.3. Reconcile monthly statements promptly.

2.7. ALL DCMA EMPLOYEES. All DCMA employees are responsible for identifying and stopping fraud, waste and abuse of the purchase card.

2.8. THE COMMAND CHAIN. The command chain shall respond to the A/OPC with their investigation into the cause of any misuse of the GPC, along with the corrective action to prevent such misuse in the future within 10 business days.

CHAPTER 3

PROCEDURES

3.1. ESTABLISH A GPC BILLING OFFICIAL ACCOUNT.

3.1.1. Prospective GPC billing officials must complete the following training requirements before an account is assigned to them:

3.1.1.1. Defense Acquisition University (DAU) GPC Tutorial CLG001.

3.1.1.2. Section 508 Training.

3.1.1.3. Access Online training at DCMA Media Site.

3.1.1.4. Certifying Official Legislation Foundation Training.

3.1.2. Prospective billing officials must complete the DCMA Cardholder/Billing Official Setup form and the DD Form 577, and submit the forms to the GPC Inbox.

3.1.3. The billing official supervisor provisions (creates a role and populates the role with a person) the new billing official to the Billing Official Pool in the DoD PCOLS EMMA application.

3.1.4. The A/OPC will issue an appointment letter authorizing the billing account.

3.1.5. The A/OPC will establish the new billing official on the existing billing account or setup a new billing account at US Bank.

3.2. ESTABLISH A GPC CARDHOLDER ACCOUNT.

3.2.1. Prospective GPC cardholders must complete the following training requirements before a card is issued to them:

3.2.1.1. DAU GPC Tutorial CLG001.

3.2.1.2. Section 508 Training.

3.2.1.3. Access Online training at DCMA Media Site.

3.2.2. Prospective cardholders must complete the DCMA Cardholder/Billing Official Setup form.

3.2.3. The billing official must submit the prospective cardholder's training certificates and setup form to the GPC Inbox.

3.2.4. The billing official initiates the new account request in the DoD PCOLS AIM application. Required approvals in AIM include:

- Cardholder Supervisor
- Billing Official
- Billing Official's Supervisor
- Resource Manager
- A/OPC

3.2.5. The A/OPC will issue an appointment letter authorizing use of the account.

3.2.6. The cardholder account is then opened at US Bank.

3.3. USE OF THE GPC TO PURCHASE SUPPLIES OR SERVICES.

3.3.1. Identify the mission requirement (Reference (g)).

3.3.2. Determine if the total known requirement is within the cardholder's limits (Reference (g)).

3.3.3. Determine if funds are available (Reference (h)).

3.3.4. Screen mandatory sources of supply and obtain any required approvals (Reference (g)).

3.3.5. Screen for prohibited items in the DCMA GPC User's Guide, Appendix A, (Reference (g)).

3.3.6. Submit a completed GPC Prior Approval Form to the billing official for signature (Reference (g)).

3.3.7. Verify that the merchant accepts the GPC Visa card (Reference (g)).

3.3.8. Place the order (in person, via telephone, via internet). Remember to inform the merchant of the Government's tax exempt status (Reference (g)).

3.3.9. Log purchase in the Access Online Order Management system and the DCMA Monthly Purchase Log (Reference (g)).

3.3.10. Record the date of receipt in Access Online and the DCMA Monthly Purchase Log. If the item(s) are received by someone other than the cardholder, written verification that the item or service was received must be in the cardholder's files (Reference (g)).

3.3.11. Make a property book entry if it is an inventory item (Reference (g)).

3.3.12. Comply with all laws and regulations pertaining to prohibited items and items requiring coordination prior to purchase such as (Reference (g)):

3.3.12.1. Prohibited items are identified in the DCMA GPC User's Guide (reference (g)).

3.3.12.2. Purchases requiring coordination are included in the DCMA GPC User's Guide, chapter 2 (Reference (g)), and include the following:

- Information Technology (IT): Individual Workstation Peripherals and Consumable IT Supplies Valued At Less than \$500
- IT: IT Acquisitions - Non-Programmed Acquisitions Valued At \$3,000 Or Below
- IT: IT Acquisitions - Non-Programmed Acquisitions Valued At Over \$3,000
- Civil engineer materials and real property (installed equipment). Authorizing Official: Local facility manager
- Construction Authorizing Official: Local Contracting Office. Construction is limited to \$2,000.
- Hazardous and Potentially Hazardous Materials (e.g. acetone, alcohol, ether, etc). Authorizing Official: Local facilities manager.
- Facility and planning and management
- Paid Advertisements

3.3.13. Reconcile monthly statement at Access Online promptly (Reference (g)).

3.3.14. Cardholder approves and reconciles each transaction posted to the statement, in the bank system and with hard copy documents (Reference (g)).

3.3.15. Cardholder approves the statement in its entirety once all individual transactions have been reconciled (Reference (g)).

3.3.16. Billing official reviews, approves, and certifies statement at Access Online (Reference (g)).

3.3.17. Cardholder is locked out after 15 days from cycle end-date. In this situation the billing official must act for the cardholder and approve transactions prior to being able to approve and certify the statement (Reference (g)).

3.3.18. If unable to resolve any issue with the merchant, cardholder shall start the dispute process in Access Online (Reference (g)).

3.4. USE THE GPC TO MAKE CONTRACT PAYMENTS.

3.4.1. Warranted contracting officers may specify the use of a GPC as the method of payment on a contract. The contract shall include FAR 52.232-36, Payment by Third Party (Reference (b)).

3.4.2. The payment cardholder must receive a copy of the contract (and any modifications), an invoice from the vendor, and a receiving acknowledgement from the customer before authorizing payment. They must forward a copy of the invoice, along with the statement that reflects payment, to the contracting officer for the contract file.

3.4.3. The payment cardholder shall retain a copy of the contract, the invoice, and the receiving documents in the GPC purchase file.

3.4.4. Payment cardholder reconciles monthly statement promptly.

3.4.5. Billing official reviews, approves, certifies, and initiates manual payment.

3.5. INSPECTION AND RATING. Level III and Level IV A/OPCs will inspect and rate program members in accordance with the GPC User's Guide (Reference (g)).

3.6. MISUSE, FRAUD, AND ABUSE.

3.6.1. DCMA employees are responsible for identifying and stopping fraud, waste, and abuse of the purchase card. All employees must report instances of suspected fraud or abuse to the billing official, supervisor, A/OPCs, procurement official, legal counsel, or the Inspector General's office.

3.6.2. Employees should be alert for the following possible indicators of fraud, waste, or abuse:

3.6.2.1. Repetitive buys to the same vendor.

3.6.2.2. Purchase cards and account numbers are not safeguarded.

3.6.2.3. The billing official or cardholder authorizes someone else to use the card.

3.6.2.4. Inadequate oversight by management and/or billing officials.

3.6.2.5. Improper purchases.

3.6.2.6. Payments made for items not received.

3.6.2.7. Split purchases to avoid credit card limitations.

3.6.2.8. Someone other than the billing official approving a cardholder's account.

3.6.2.9. Cardholders returning merchandise to vendors for store credit vouchers instead of having card credit issued back to the GPC account; and intentional use of the GPC for other than official Government business.

3.6.3. Disciplinary Action for Improper or Fraudulent Use: Improper, fraudulent use or abuse of the GPC (including convenience checks) is forbidden and may result in disciplinary action and pecuniary liability. DCMA requires supervisors, who receive information indicating that an employee has engaged in misuse of the GPC, to take appropriate action. The circumstances of each individual case will determine the appropriate type of corrective or disciplinary/adverse actions (Reference (i)).

3.7. NOTIFICATION OF MISUSE.

3.7.1. If A/OPC becomes aware of the misuse (misuse means improper, fraudulent, abusive or negligent use of the GPC including use at establishments or for purposes inconsistent with the official business of DCMA or applicable standards of conduct) of a GPC account, then they will notify the command chain (commander and supervisor) promptly, when possible within 3 business days, that the misuse has been discovered. This notification will be in the form of an email or if discovered as part of the annual audit process, via a briefing at the conclusion of the audit.

3.7.2. The Command chain will respond to the A/OPC with their investigation of the cause and their corrective action to prevent such misuse in the future. This response shall be provided to the A/OPC within 10 business days and shall include:

3.7.2.1. Signed statements of all pertinent facts of the transaction from the billing official and the cardholder.

3.7.2.2. All documents pertaining to the transaction including but not limited to the GPC Pre-approval form, GPC Purchase Log, receipts, invoices, packing slips.

3.7.2.3. Commander's recommendation to continue or close the billing official and cardholder's accounts.

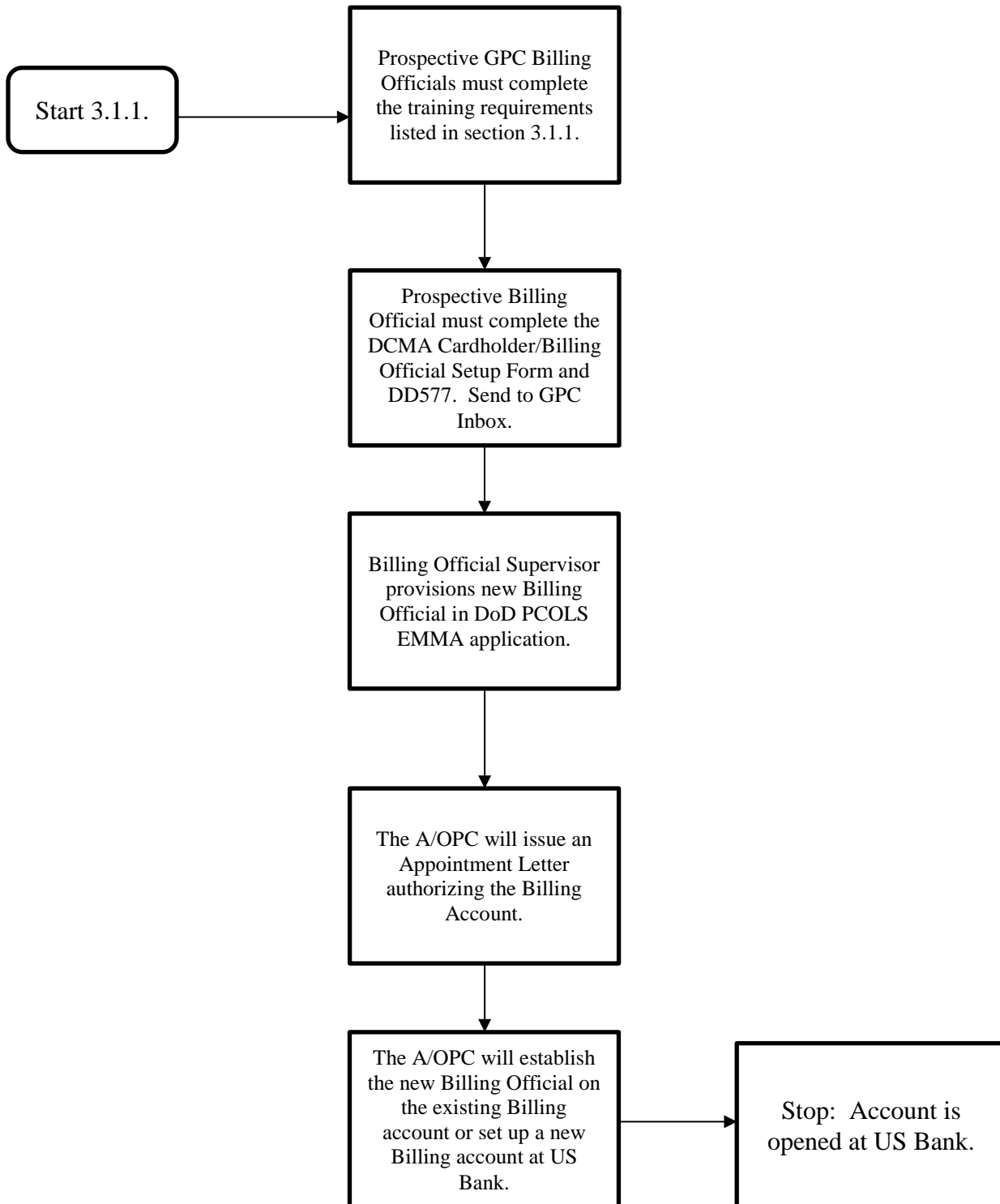
3.7.2.4. Commander's recommendation of corrective action.

3.7.2.5. Provide the A/OPC a statement that appropriate corrective or disciplinary/adverse action has been taken.

3.7.3. The A/OPC will review the recommendations and concur/nonconcur with the Commander's recommendations within 5 business days.

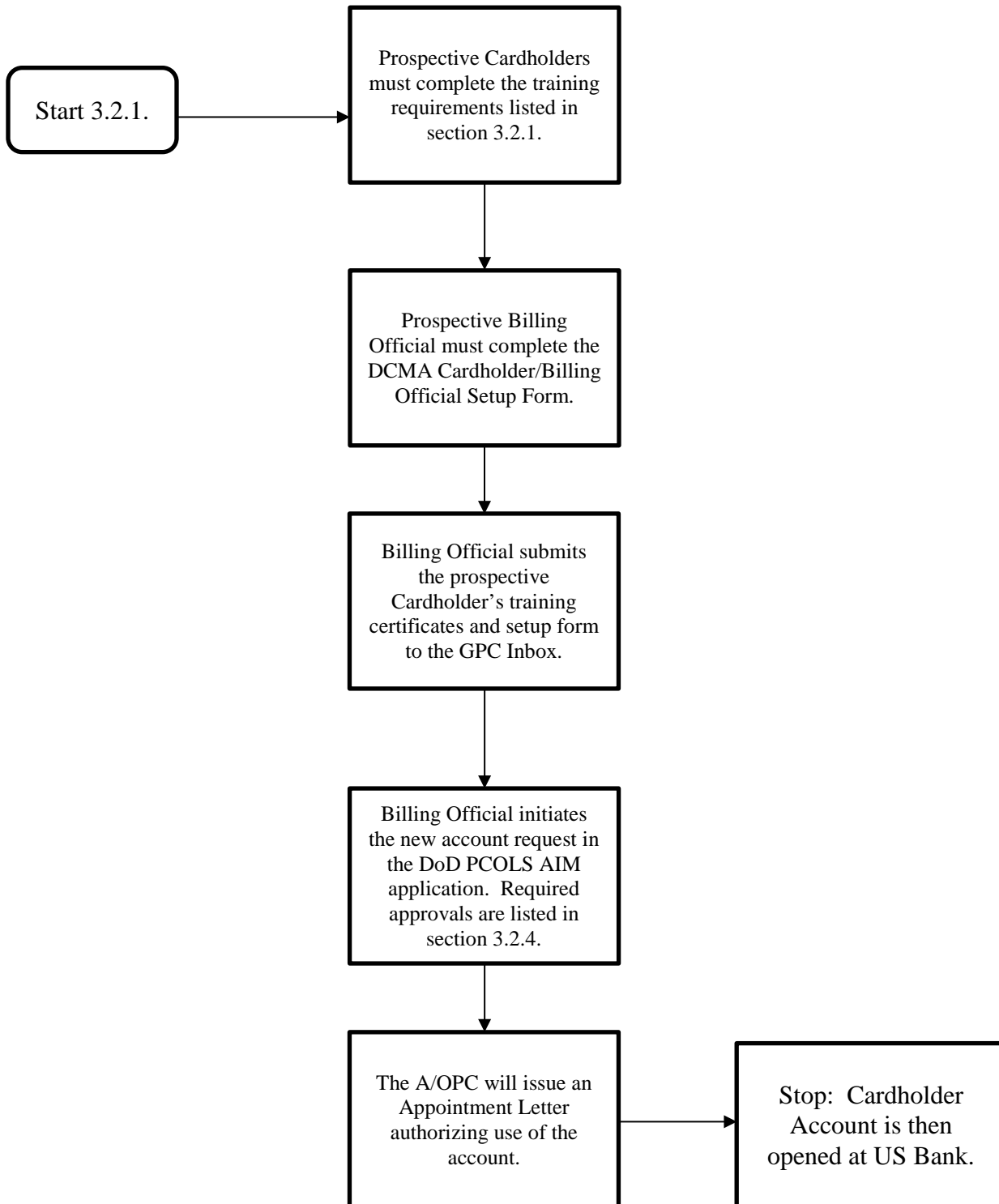
APPENDIX A

ESTABLISH A GPC BILLING OFFICIAL ACCOUNT



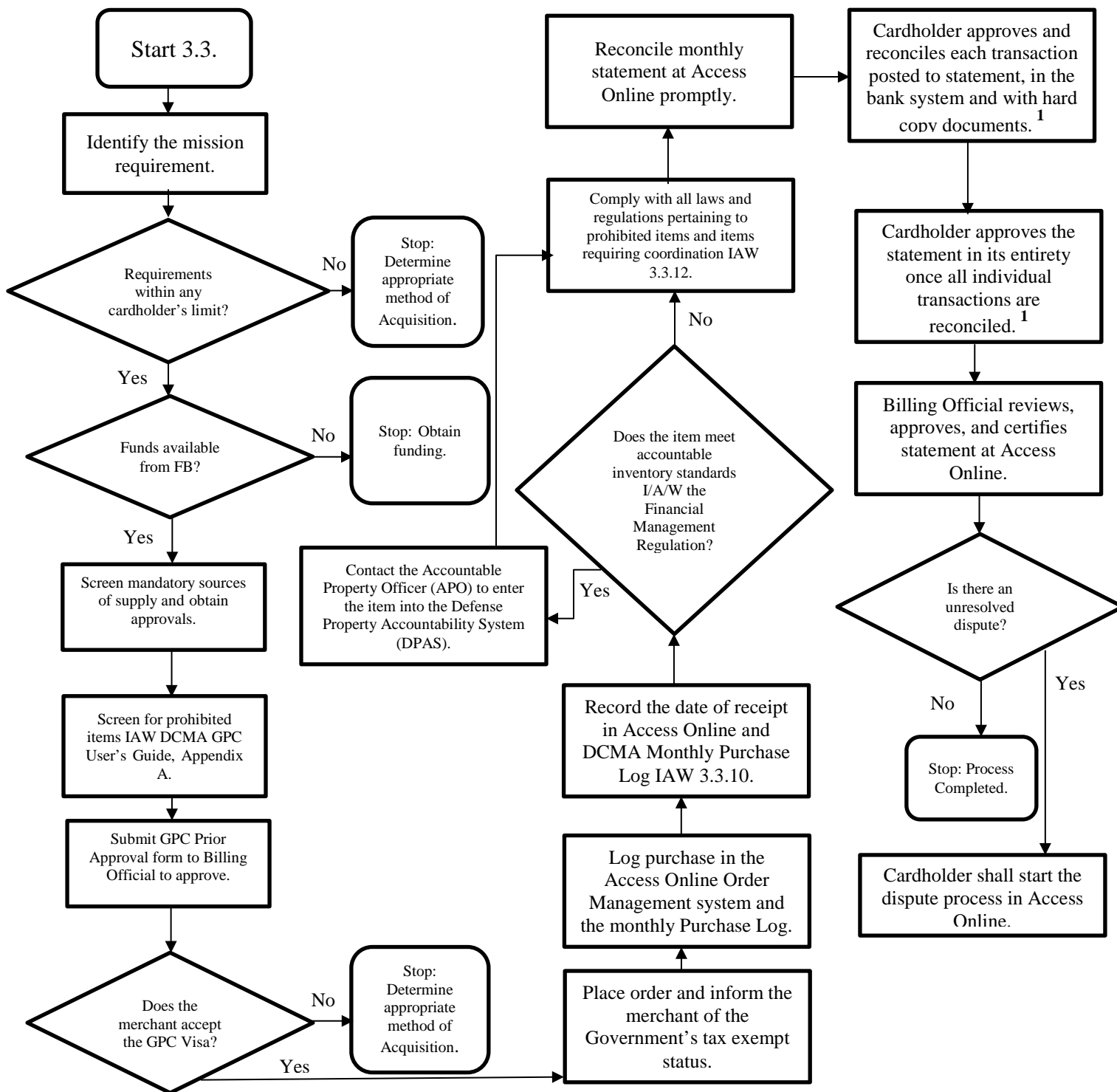
APPENDIX A

ESTABLISH A GPC CARDHOLDER ACCOUNT



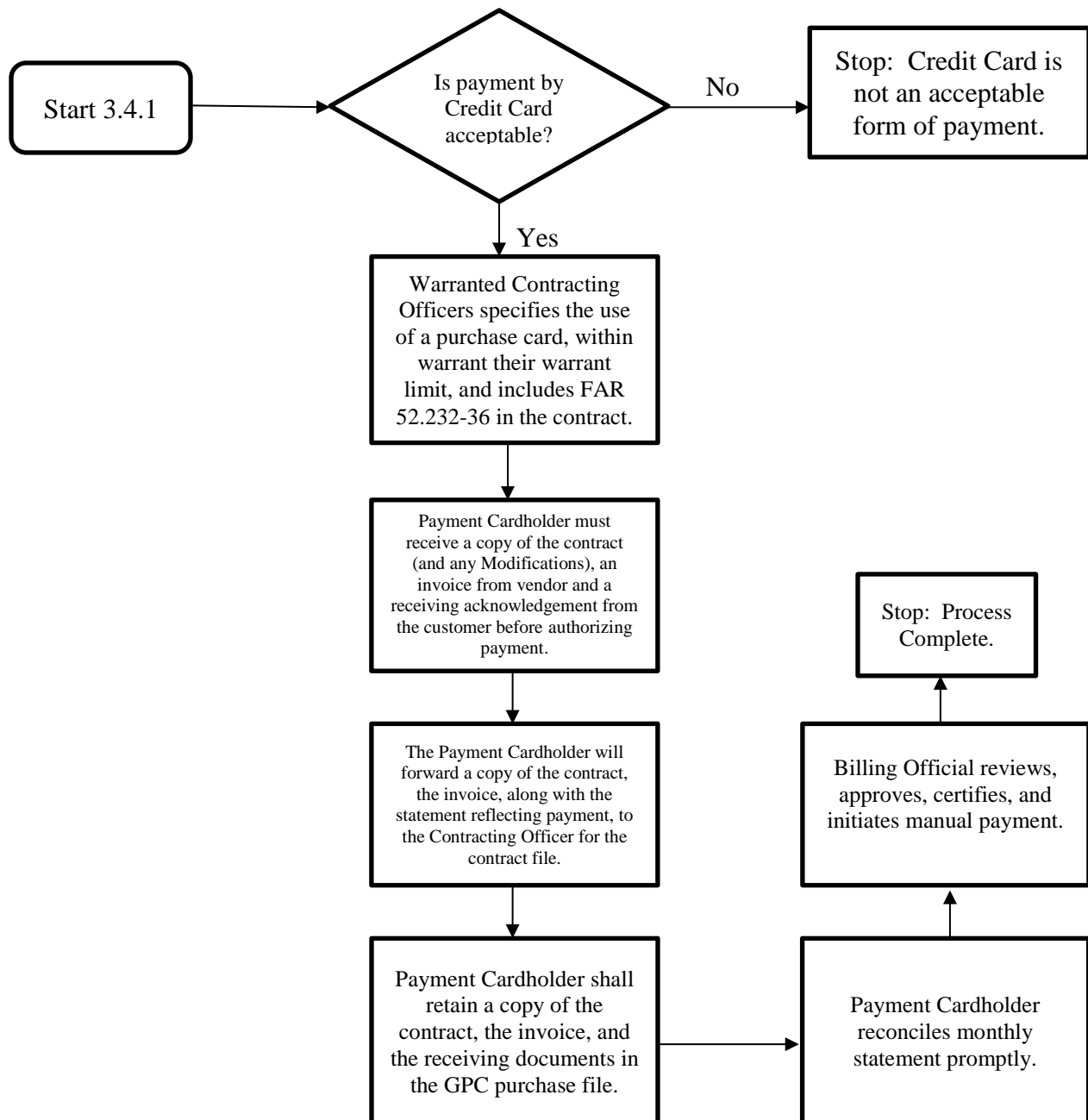
APPENDIX A

USE OF GPC TO PURCHASE SUPPLIES OR SERVICES



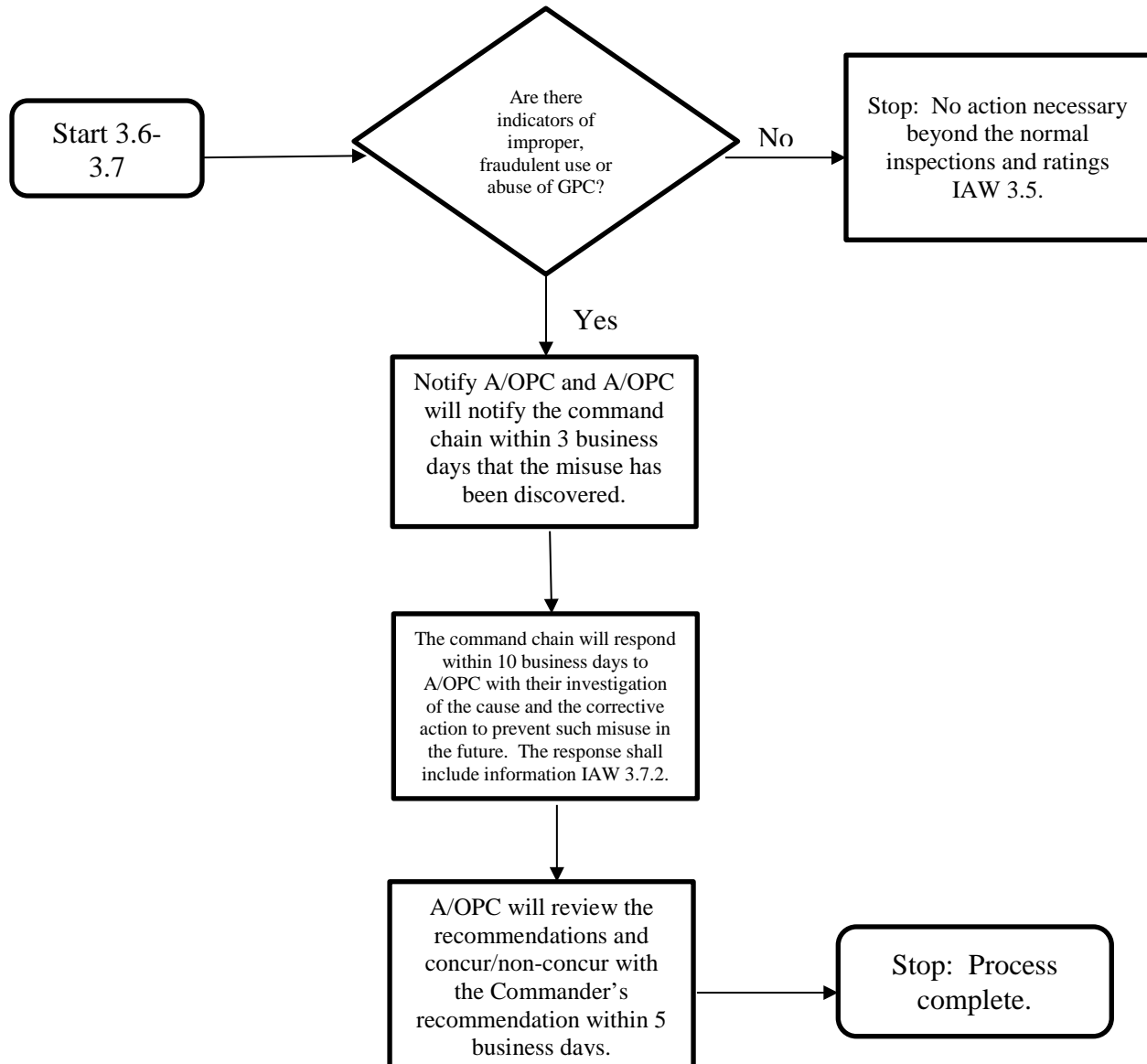
¹ If the Cardholder is locked out of the system, the Billing Official must act for the Cardholder.

APPENDIX A
USE OF GPC TO MAKE CONTRACT PAYMENTS



APPENDIX A

DISCOVERY/NOTIFICATION OF MISUSE, FRAUD AND ABUSE



ACRONYMS

ADP	Automatic Data Processing
AIM	Authorization, Issuance and Maintenance application
A/OPC	Agency/Organization Program Coordinator
DAU	Defense Acquisition University
DCMA-INST	DCMA Instruction
DFARS	Defense Federal Acquisition Regulation Supplement
DoDFMR	Department of Defense Financial Management Regulation
EMMA	Enterprise Monitoring and Management of Accounts application
FAR	Federal Acquisition Regulation
GPC	Government Purchase Card
IT	Information Technology
ITCSO	Information Technology Customer Service Organization
PCOLS	Purchase Card Online System
PLAS	Performance Labor Accounting system